



UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

BENJAMIN SCHWARZ, CHRISTINA SCHWARZ,
and DANIEL SCHWARZ,

Plaintiffs,

-v-

THINKSTRATEGY CAPITAL MANAGEMENT LLC
and CHETAN KAPUR,

Defendants.

09 Civ. 9346 (PAE)

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

-v-

CHETAN KAPUR and LILABOC, LLC,

Defendants.

11 Civ. 8094 (PAE)

LESLIE SCHNEIDER, LEONARD SCHNEIDER,
LILLIAN SCHNEIDER, SCOTT SCHNEIDER, SUSAN
SCHNEIDER, JAMISCOTT LLC, JAMISCOTT II LLC,
CLARIDGE ASSOCIATES LLC, BAYROC
ASSOCIATES LLC, and BAYWATER ASSOCIATES
LLC,

Plaintiffs,

-v-

LILABOC, LLC, d/b/a/ THINKSTRATEGY CAPITAL
MANAGEMENT, LLC and CHETAN KAPUR,

Defendants.

12 Civ. 5818 (PAE)

ORDER

PAUL A. ENGELMAYER, District Judge:

The following order is to be filed in each of the above-captioned cases, which are related.

On April 12, 2016, the Court held a hearing to address the status of the ongoing contempt sanction against Chetan Kapur entered by this Court on July 1, 2015. Mr. Kapur refused to attend the hearing, despite being instructed by the Court and the U.S. Marshals that his attendance was required. The Court therefore conducted the hearing in his absence, with his counsel in the SEC action present, and directed his counsel to provide him with a copy of the transcript.

For the reasons stated on the record at that hearing, the sanction remains in place. One point involving newly acquired information merits mention. Among other bases for the finding of contempt, the Court has held that the evidence established that Kapur held an account in which he deposited significant sums at Bank Vontobel, a Swiss Bank, in the name of the Family and Children Charitable Foundation, which Kapur created through the Panamanian law firm, Mossack Fonseca. There have been recent newspaper revelations about that law firm, as revealed by what are being called the “Panama Papers.” At the April 12 hearing, counsel for the SEC and the Schwarz plaintiffs suggested that the publicly reported facts about Mossack Fonseca’s work for Kapur in connection with the establishment of the account at Bank Vontobel would, if established, further support the Court’s finding of contempt. *See* 11 Civ. 8094, Dkt. 92. The Court encouraged the parties to continue their attempts to obtain evidence, including following leads suggested by the Panama Papers, which may shed light on the contents and/or disposition of the Bank Vontobel account.

The Court scheduled a hearing for July 7, 2016 at 11 a.m. to assess the contempt sanction and to consider any new developments. The parties remain at liberty to request an earlier hearing.

SO ORDERED.



Paul A. Engelmayer
United States District Judge

Dated: April 21, 2016
New York, New York